Dear friends!

We would like to offer you May issue of our Newsletter in which you are able to find out how much will it cost to be unemployed, who and how will be supervising monopolies and what changes have been introduced in the rules of medical drugs registration.

Sergey Mashonsky
Managing Partner

Newsletter
May 2015

Note:

Please pay your attention that since April 15, 2015 the norms for compulsory sale of currency in the Belarusian domestic currency market have been reduced by 10% to the level which had been applied up to December of 2014 (from 40% to 30%).

Resolution of the Board of the National Bank of the Republic of Belarus No.226 dated 13.04.2015

NEWS OF LEGISLATION

On tax for slackers

The President has signed a decree aimed at putting an end to so called social parasitism. The document prescribes levying tax from unemployed citizens. The legal force of this document is extended to relations arising from January 1, 2015. Learn more at our website http://arzinger.by/en/news-2/loafer-duty/

Decree of the President of the Republic of Belarus No. 3 dated 02.04.2015
"On the Prevention of the Social Parasitism"

ON THE STATE REGISTER OF LEGAL ENTITIES OCCUPYING DOMINANT POSITION AT THE MARKET

The Regulation on the Procedure of Forming and Maintaining of the State Register of Entities Occupying Dominant Position in the Commodity Markets has been approved. According to the Regulation, the State Register of Entities Occupying Dominant Position in the Commodity Markets is a list of individual entrepreneurs and legal entities conducting entrepreneurial activity and (or) which have a right to conduct such an activity in the territory of the Republic of Belarus, and occupying dominant position in the commodity markets of the Republic of Belarus in respect of the certain commodity items.

The Antitrust Body (Price Policy Department of the Ministry of Economics of the Republic of Belarus and structural units of regional executive committees and Minsk City Executive Committee) has been entrusted to perform the function of forming and maintaining of the State Register.

The State Register has a two-tier structure and includes:

- on the state level – a list of entities occupying dominant position in the commodity markets of the Republic of Belarus;
- on the local level – a list of entities occupying dominant position in the commodity markets of regions (and Minsk City).

The Regulation also prescribes legal basis for inclusion in and exclusion from the State Register of the entities.

The Regulation of the Ministry of the Economy of the Republic of Belarus No.23 dated 20.03.2015 "On the Approval of the Regulation on the Procedure of Forming and Maintaining of the State Register of Legal Entities Occupying Dominant Position in the Commodity Markets"

ON CHANGES IN THE RULES OF MEDICAL DRUGS REGISTRATION

The Regulation on the Procedure and Terms of State Registration (Confirmation of the State Registration) of Medicines and Pharmaceutical Substances has been adopted (hereinafter referred to as "Regulation").

According to the Regulation, the order of the registration is following:

1. Before applying for state registration of a medical drug it is necessary to pass a number of technical preliminaries being performed by the state unitary enterprise "The Center of Expertise and Tests in Public Health Service".
2. Then in case of positive decision of The Center of expertise and tests the registration dossier shall be submitted to the Ministry of public health service of the Republic of Belarus.
3. After that The Ministry of public health service makes a decision on the medicine state registration or on the refusal of medicine state registration specifying the reason for such a refusal.

Registration certificates are valid for 5 years in respect of the medicine registered for the first time. After expiration of this term, the medicine shall pass the procedure of confirmation of the state registration. After this procedure is done, the state registration is termless.

The following documents have also been adopted:

- The Regulation on the Procedure of the Issuance of Registration Certificate for the Medicines and Pharmaceutical Substances;
- The Regulation on the Structure, Procedure of Forming and Maintaining of the State Register of Medicines of the Republic of Belarus.

The Regulation of the Council of Ministers No. 254 dated 01.04.2015 "On the State Registration (Confirmation of the State Registration) of Medicines, Pharmaceutical Substances and Amendments and Additions to the Regulation of the Council of Ministers"

ON PAYMENTS TO THE SOCIAL SECURITY FUND

Amendments and additions have been made to the Regulation on Compulsory Insurance Payments, Payments on Professional Pension Insurance and Other Payments to the Social Security Fund.

Key changes on payments to the Social Security Fund:

• Individuals carrying out activity in the sphere of rural tourism without state registration as individual entrepreneurs are entitled to make payments to the fund's budget on a voluntary basis;

• Now it is compulsory to make payments on behalf of a manager even if there is a contract on assignment of functions of the executive body with an individual entrepreneur;

• Compulsory payments to the Social Security Fund shall be paid not later 20th of the month following the month ended in cases when the day of the salary payment for the month ended is fixed later than 20th of the month following the month ended;

• The preference on payments to the Social Security Fund for individual entrepreneurs simultaneously being in employment relationship has been kept in force.

The Edict of the President of the Republic of Belarus No. 174 dated 25.04.2015
"On Amendments and Additions to the Edict of the Republic of Belarus"

ON THE PROCEDURE OF CALCULATIONS OF INTEREST ON THE FUNDS HAD AND RECEIVED IN CASE UNTIMELY EXERCISE OF CURRENT ADVANCE PAYMENTS

Klim Stashevsky
Senior Associate

Ministry of Architecture and Construction pleased us with explanations about controversial issues concerning the procedure of calculations of interest on the funds had and received in case untimely exercise of current advance payments.

In particular current advance payment is considered fully exercised if construction activities prescribed by the construction schedule are fully performed. Also now there is no need to go into disputes on the issues of how to determine the amount of advance payment unexercised, how to determine the term of usage of the funds had and received, in accordance with what date the refinancing rate should be taken for calculating and some other issues. Moreover, the Ministry provided a clear example of calculations.

The Letter of the Ministry of Architecture and Construction of the Republic of Belarus No. 04-3-03/3502 dated 03.04.2015 "On the Procedure of Calculations of Interest on the Funds Had and Received In Case Untimely Exercise of Current Advance Payments"

LAW FIRM NEWS

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On the eve of the 25th anniversary of the formation of Arzinger & Partners, we announce the establishment of co-operation with GRATA law firm. Due to this step we can jointly provide our clients with full legal support in the countries of GRATA operation.

Sergey Mashonsky, Managing Partner of Arzinger & Partners:

"The establishment of co-operation is a new important step in the development of our companies. This association is naturally determined, taking into account strengthening of various kinds of associations in the CIS countries, including the EAEU. Our co-operation is not limited by post-Soviet countries. Due to Arzinger & Partners experience in working with European companies, together we are going to expand the geography of our presence in other countries."

Some information of GRATA law firm: an experienced team of 120 lawyers works since 1992. GRATA law firm is developing dynamically and effectively works in 17 branch offices in Kazakhstan, Russia, Azerbaijan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan and Mongolia, as well as in the representative offices in the UK, the USA, China, the Netherlands and UAE. GRATA law firm has a special reputation and unique experience in assisting the companies working in the sphere of oil and gas industry, mining, banking and financial institutions, in the sphere of telecommunications, transport and logistics, retail, construction and real estate. For more information, please visit GRATA's official web-site - www.gratanet.com.

Tlek Baigabulov, Senior Partner of GRATA International:

"We are glad to join our efforts to develop a global GRATA International law firm with real professionals and allies from Arzinger & Partners. We are confident that our ambitions of cooperation will be enough not only to significantly strengthen our position in the Republic of Belarus, but also for the expansion of GRATA International in Eastern Europe and the Baltic States. I hope that soon we will also gladden our clients with opening of associated offices in China, UAE and South Korea, providing a full range of legal services."

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Arzinger & Partners law firm has been named among the leaders of the Belarusian legal services market according to the authoritative international directory Legal 500.

For several years work of the Arzinger & Partners team has been recognized on the highest international level.

Editors of the directory specified that Arzinger & Partners "understands very well the needs of its clients". They also specially marked out partners Sergey Mashonsky, Dmitry Viltovsky and Alexander Korsak for their latest major projects.

International legal directory Legal 500 has been making an independent research of legal markets of different countries based on clients' feedback, interviews and submission forms being sent by law firms for 27 years. Currently directory is represented by firms from 106 jurisdictions.

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Arzinger & Partners is the general partner of the annual contest "Best Legal Departments of Belarus".

April 10, 2015 at the Renaissance hotel the final part of the contest and awarding ceremony for the winners took place.

Arzinger & Partners believes that investing in such events will contribute to popularizing of the legal profession and increasing in cooperation between the companies' legal departments and specialized law firms. During the Congress there were subject presentations on the issues of effective management of the legal department, debt recovery work, building a system of interaction with industry regulators.

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Managing Partner of Arzinger & Partners law firm Sergey Mashonsky participated in the visit of the business circles of the Republic of Belarus to the Republic of Estonia which took place from 7 to 8 of April, 2015.

More than 100 Estonian companies interested in establishing and developing of cooperation in different spheres, representatives of state governing bodies, business associations participated in the event. In the capacity of the official personalities forum attended Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus in the Republic of Estonia Anatoly Stepus, Ambassador Extraordinary and Plenipotentiary of the Republic of Estonia in the Republic of Belarus Mite Martinson, Deputy Minister of Foreign Affairs Alexander Guryanov and Deputy Chairman of the Belarusian Chamber of Commerce and Industry Vladimir Ulahovich.

Sergey Mashonsky made a presentation of investment opportunities of the Republic of Belarus, answered questions about Belarus tax system and peculiarities of the simplified tax system.

During the visit, Managing Partner held negotiations with the Chairman of the Board of the Fund for Promotion of Business Development Hanno Tomberg.

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April 15, 2015 a new edition of international legal directory Chambers Europe 2015 was released. In this directory Arzinger & Partners was recognized as one of the best law firms in the Republic of Belarus. Words of the clients given in the rating characterize work of the firm's lawyers best of all: “The firm is very loyal to the customer in that the lawyers worry about our business as if it's their own”.

In the sphere of corporate & commercial law Managing Partner Sergey Mashonsky and head of the corporate practice Dmitry Viltovsky were named among the leading lawyers in the country. Editors of the rating specified that Sergey Mashonsky is highly valued for his “strong negotiation skills”, and Dmitry Viltovsky according to one of the clients of Arzinger & Partners is a “very sophisticated and intelligent lawyer”.

Klim Stashevsky, Senior Associate of the firm, was also ranked in the rating. The editors of the rating specified his “inquisitive mind and initiative”.

International directory Chambers Europe is one of the editions of the British rating agency Chambers & Partners, which starting from 1990 compiles and publishes lists of the best law firms and lawyers from different countries. Analysts of the British rating agency carry out research of the legal services market in more than 52 jurisdictions and make lists of the most prominent firms and lawyers based on the recommendations of their colleagues and clients.

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